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HOUSE BILL 307

48TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2008

INTRODUCED BY

Justine Fox-Young

AN ACT

RELATING TO TAX ADMINISTRATION; PROVIDING FOR A REDUCED
DISTRIBUTION OF GROSS RECEIPTS TAX REVENUE TO CERTAIN
MUNICIPALITIES THAT IMPOSE CIVIL, RATHER THAN CRIMINAL,
PENALTIES FOR VIOLATION OF THE MOTOR VEHICLE CODE OR THE
MUNICIPALITY'S TRAFFIC CODE; MAKING AN APPROPRIATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 7-1-6.4 NMSA 1978 (being Laws 1983,
Chapter 211, Section 9, as amended) is amended to read:

"7-1-6.4. DISTRIBUTION--MUNICIPALITY FROM GROSS RECEIPTS
TAX.--

A. Except as provided in Subsection B, C or D of
this section, a distribution pursuant to Section 7-1-6.1 NMSA
1978 shall be made to each municipality in an amount, subject
to any increase or decrease made pursuant to Section 7-1-6.15
.170783.2

underscored material = new
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1 NMSA 1978, equal to the product of the quotient of one and two
2 hundred twenty-five thousandths percent divided by the tax rate
3 imposed by Section 7-9-4 NMSA 1978 multiplied by the net
4 receipts for the month attributable to the gross receipts tax
5 from business locations:

6 (1) within that municipality;

7 (2) on land owned by the state, commonly known
8 as the "state fairgrounds", within the exterior boundaries of
9 that municipality;

10 (3) outside the boundaries of any municipality
11 on land owned by that municipality; and

12 (4) on an Indian reservation or pueblo grant
13 in an area that is contiguous to that municipality and in which
14 the municipality performs services pursuant to a contract
15 between the municipality and the Indian tribe or Indian pueblo
16 if:

17 (a) the contract describes an area in
18 which the municipality is required to perform services and
19 requires the municipality to perform services that are
20 substantially the same as the services the municipality
21 performs for itself; and

22 (b) the governing body of the
23 municipality has submitted a copy of the contract to the
24 secretary.

25 B. If the reduction made by Laws 1991, Chapter 9,

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underscored material = new
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1 Section 9 to the distribution under this section impairs the
2 ability of a municipality to meet its principal or interest
3 payment obligations for revenue bonds outstanding prior to July
4 1, 1991 that are secured by the pledge of all or part of the
5 municipality's revenue from the distribution made under this
6 section, then the amount distributed pursuant to this section
7 to that municipality shall be increased by an amount sufficient
8 to meet any required payment, provided that the distribution
9 amount does not exceed the amount that would have been due that
10 municipality under this section as it was in effect on June 30,
11 1992.

12 C. A distribution pursuant to this section may be
13 adjusted for a distribution made to a tax increment development
14 district with respect to a portion of a gross receipts tax
15 increment dedicated by a municipality pursuant to the Tax
16 Increment for Development Act.

17 D. For a municipality, including a home rule
18 municipality, that imposes civil, rather than criminal,
19 penalties for a violation of the Motor Vehicle Code or a
20 violation of the municipality's traffic code, the distribution
21 pursuant to Subsection A of this section shall be adjusted
22 pursuant to the following provisions:

23 (1) on July 1 of each year, the secretary of
24 finance and administration shall determine the amount in civil
25 penalties, fines or other assessments collected during the

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underscored material = new
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1 previous fiscal year by the municipality for violations of the
2 Motor Vehicle Code or the municipality's traffic code. The
3 secretary shall notify the secretary of taxation and revenue of
4 the determination;

5 (2) except as provided in Paragraph (3) of
6 this subsection, subsequent distributions in the current fiscal
7 year to the municipality shall be withheld until the total
8 amount of withheld distributions equals the amount determined
9 pursuant to Paragraph (1) of this subsection;

10 (3) if the municipality has issued revenue
11 bonds prior to February 1, 2008 that are secured by the pledge
12 of all or part of the municipality's revenue from the
13 distribution made under this section, then until the total
14 amount of withheld distributions equals the amount determined
15 pursuant to Paragraph (1) of this subsection, the amount
16 distributed to the municipality in the current fiscal year
17 shall be equal to the lesser of:

18 (a) the amount sufficient to meet any
19 required payment due on the revenue bonds; or

20 (b) the amount that would otherwise be
21 distributed to the municipality except for the provisions of
22 this subsection; and

23 (4) a distribution shall be made to the state
24 general fund in an amount equal to the amount of distributions
25 withheld pursuant to this subsection."

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